

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Technical College,
Sullivan Campus
Louisiana Community and
Technical College System
Bogalusa, Louisiana

April 9, 2003



Financial and Compliance Audit Division

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**LOUISIANA TECHNICAL COLLEGE,
SULLIVAN CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

Bogalusa, Louisiana

Management Letter
Dated March 21, 2003

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

April 9, 2003



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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March 21, 2003

**LOUISIANA TECHNICAL COLLEGE,
SULLIVAN CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**
Bogalusa, Louisiana

As part of our audit of the Louisiana Community and Technical College System's financial statements for the year ended June 30, 2003, we considered the Louisiana Technical College, Sullivan Campus' internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the campus' compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*.

The financial information provided to the Louisiana Community and Technical College System by the Louisiana Technical College, Sullivan Campus is not audited or reviewed by us, and, accordingly, we do not express an opinion on that information. The campus' accounts are an integral part of the Louisiana Community and Technical College System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration.

Untimely Transfers to Central Office Bank Account

The Louisiana Technical College, Sullivan Campus did not make timely transfers of funds to the Louisiana Technical College's central office bank account. Local bank deposits must be transferred to the central office bank account before they can be recorded in the automated accounting system. Good internal control requires that deposits be transferred timely to the central office bank account to ensure that campus revenues are timely and properly recorded in the automated accounting system.

For the six-month period ending December 31, 2002, Louisiana Technical College - Sullivan Campus made only two transfers to the central office bank account. In October 2002, \$108,385 was transferred for tuition, fees, and bookstore receipts received from July through September. In November 2002, \$65,059 was transferred for collections made on prior year's receivables in July. College management did not place sufficient emphasis on the timely transfer of funds to the central office bank account. Untimely transfers to the central office bank account increases the risk of untimely and inaccurate financial information.

LEGISLATIVE AUDITOR

**LOUISIANA TECHNICAL COLLEGE,
SULLIVAN CAMPUS
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA**

Management Letter, Dated March 21, 2003

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The Louisiana Technical College, Sullivan Campus should implement procedures to ensure that transfers are remitted to the central office bank account timely, at least once a month, to ensure that current and accurate financial information is reflected in the automated accounting system. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

**Failure to Submit a Document Retention
Schedule to State Archives**

The Louisiana Technical College, Sullivan Campus failed to submit a document retention schedule to State Archives as required by state law. Louisiana Revised Statute 44:411(A)(1) requires the head of every agency to submit to the state archivist record retention schedules proposing the length of time each state record series warrants retention for administrative, legal, or fiscal purposes after it has been created or received by the agency.

Management of the Sullivan Campus was not aware of the document retention schedule requirement. Failure to submit and receive an approved retention schedule increases the risk of destroying vital information that could be needed in the future or incurring excessive storage cost for documents that will never be needed.

The Louisiana Technical College, Sullivan Campus should obtain the necessary information to prepare and submit a suitable retention schedule to State Archives. Once the retention schedule is approved, it should be implemented immediately. Management concurs in part with the finding because it does not believe that campus deans are responsible for preparing or submitting a record retention schedule to State Archives. On March 12, 2003, the Louisiana Community and Technical College System (LCTCS) Board of Supervisors adopted a policy requiring each LCTCS chancellor, including the LTC chancellor, to establish a formal record policy. The policy will require approval of the LCTCS Board of Supervisors and the state archivist (see Appendix A, page 2).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the campus. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the campus should be considered in reaching decisions on courses of action. Findings relating to the campus' compliance with applicable laws and regulations should be addressed immediately by management.

LEGISLATIVE AUDITOR

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Management Letter, Dated March 21, 2003

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This letter is intended for the information and use of the campus and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large, stylized initial "G".

Grover C. Austin, CPA
First Assistant Legislative Auditor

KML:ES:RCL:dl

[LTC-SULLIVAN03]

Appendix A

Management's Corrective Action Plans and Responses to the Findings and Recommendations



LOUISIANA TECHNICAL COLLEGE

Office of the Chancellor

150 Third Street – Suite 200
Baton Rouge, Louisiana 70801
Telephone: 225/219-9532
Facsimile: 225/219-9497

James S. Clarke, Ph.D.
Acting Chancellor

CAMPUSES:

Acadian Campus
Alexandria Campus
Ascension Campus
Avoyelles Campus
Bastrop Campus
Baton Rouge Campus
Charles B. Coreil Campus
Delta Ouachita Campus
Evangeline Campus
Florida Parishes Campus
Folkes Campus
Gulf Area Campus
Hammond Area Campus
Huey P. Long Campus
Jefferson Campus
Jumonville Memorial Campus
L. E. Fletcher Campus
Lafayette Campus
Lafourche Campus
Lamar Salter Campus
Mansfield Campus
Morgan Smith Campus
Natchitoches Campus
North Central Campus
Northeast LA Campus
Northwest LA Campus
Oakdale Campus
River Parishes Campus
Ruston Campus
Sabine Valley Campus
Shelby M. Jackson Campus
Shreveport Bossier Campus
Sidney N. Collier Campus
Slidell Campus
Sowela Campus
Sullivan Campus
T. H. Harris Campus
Tallulah Campus
Teche Area Campus
West Jefferson Campus
Westside Campus
Young Memorial Campus

An Equal Opportunity
College

April 2, 2003

Grover C. Austin, CPA
First Assistant to the Legislative Auditor
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Untimely Transfers to Central Office Bank Account

Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Sullivan Campus.

Management concurs with the finding and recommendations related to "Untimely Transfers to Central Office Bank Accounts." Corrective action has been taken to insure that funds are deposited in the local bank account, and then transferred to the LTC central bank account within 24 hours, and then classified to the appropriate revenue account. Please be advised that all deposits, transfers to central bank account, and revenue classifications are up-to-date and are now completed within the 24 hour time frame stipulated in the audit report.

The contact person responsible for corrective action is Beth Sigler.

Sincerely,

James S. Clarke
Dr. James S. Clarke, Ph.D.
Acting Chancellor
bsigler 4/2/03

JSC/pgj

C: Dr. Walter G. Bumphus (LCTCS President)
Mr. Wayne Meaux (Assistant Chancellor)
Mr. Michael J. Murphy (Sullivan Campus Dean)
Mr. Allen Brown (LCTCS Internal Audit Director)
Ms. Jan Jackson (Senior Vice President for Finance and Administration)
File



LOUISIANA TECHNICAL COLLEGE

Office of the Chancellor

James S. Clarke, Ph.D.
Acting Chancellor

150 Third Street – Suite 200
Baton Rouge, Louisiana 70801
Telephone: 225/219-9532
Facsimile: 225/219-9497

March 18, 2003

CAMPUSES:

Acadian Campus
Alexandria Campus
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Evangeline Campus
Florida Parishes Campus
Folkes Campus
Gulf Area Campus
Hammond Area Campus
Huey P. Long Campus
Jefferson Campus
Jumonville Memorial Campus
L. E. Fletcher Campus
Lafayette Campus
Lafourche Campus
Lamar Salter Campus
Mansfield Campus
Morgan Smith Campus
Natchitoches Campus
North Central Campus
Northeast LA Campus
Northwest LA Campus
Oakdale Campus
River Parishes Campus
Ruston Campus
Sabine Valley Campus
Shelby M. Jackson Campus
Shreveport Bossier Campus
Sidney N. Collier Campus
Slidell Campus
Sowela Campus
Sullivan Campus
T. H. Harris Campus
Tallulah Campus
Teche Area Campus
West Jefferson Campus
Westside Campus
Young Memorial Campus

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College

Grover C. Austin, CPA
First Assistant Legislative Auditor
Office of Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Re: Failure to Submit a Document Retention Schedule to State Archives

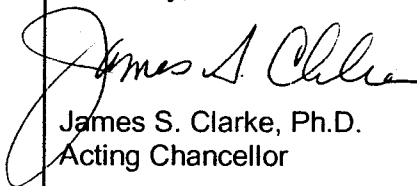
Dear Mr. Austin:

The Louisiana Technical College has received the audit finding referenced above relating to the Sullivan campus. Management concurs in part with this finding.

The Louisiana Community and Technical College System (LCTCS) Board of Supervisors adopted a policy on March 12, 2003, requiring each LCTCS Chancellor to establish a formal records retention policy. Accordingly, the Louisiana Technical College will prepare a formal records retention schedule for approval by the LCTCS Board of Supervisors and the State Archivist. Campus management has not been nor will be responsible for preparing or submitting a schedule to State Archives.

Dr. Florent Hardy, Jr., State Archivist, has agreed to provide assistance and training to the Louisiana Technical College. Responsibility for ensuring that the record retention policy is fully implemented has been delegated to Devery Pierce.

Sincerely,


James S. Clarke, Ph.D.
Acting Chancellor

JSC/dp

C: Dr. Walter G. Bumphus (LCTCS President)
Mr. Wayne Meaux (Assistant Chancellor)
Mr. Michael J. Murphy (Campus Dean)
Mr. Allen Brown (LCTCS Internal Audit Director)
Ms. Jan Jackson (LCTCS Senior Vice President for Finance/Administration)
File